

Legislative Analysis



WORKPLACE SAFETY STANDARDS NO STRICTER THAN FEDERAL STANDARDS

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House Bill 5030 as reported without amendment

Sponsor: Rep. Joe Haveman

Committee: Regulatory Reform

Complete to 12-7-11

A SUMMARY OF HOUSE BILL 5030 AS REPORTED FROM COMMITTEE 12-7-11

The bill would amend the Michigan Occupational Safety and Health Act (1974 PA 154) by adding Section 13a to prohibit rules from being promulgated or enforced under the act that are stricter than applicable federal standards unless there is specific statutory authority to promulgate more stringent standards, provided federal standards apply to a workplace activity.

MCL 408.1001 to 408.1094

FISCAL IMPACT:

House Bill 5030 would have an indeterminate fiscal impact on the Michigan Occupational Safety and Health Administration. HB 5030 would not affect the enforcement of administrative rules on workplace activities for which there are no current federal standards; MIOSHA enforces an extensive number of these rules. HB 5030 would not prohibit the promulgation and enforcement of "stricter" rules if specifically authorized by the Legislature.

The magnitude or direction of the fiscal impact would depend on two unresolved questions:

- 1) The number of MIOSHA rules for these workplace activities that are "stricter" than federal standards.
- 2) The costs associated with enforcing the "stricter" provisions of these MIOSHA rules.

For those workplace activities for which there are federal standards, it is not altogether certain what the criteria for resolving question (1) would be; defining what constitutes a "stricter" rule could require additional legislative guidance and/or judicial interpretation. Resolving question (2) is dependent on the resolution of question (1) and would further entail financial analysis by the Department of Licensing and Regulatory Affairs to isolate the costs of enforcing the "stricter" provisions of MIOSHA rules from the costs of enforcing the federal standard.

Over the long run, HB 5030 could decrease MIOSHA's expenditures by reducing the number and complexity of MIOSHA rules and therefore the costs of enforcing those

rules. However, HB 5030 could increase MIOSHA expenditures if particular MIOSHA rules, over and above federal standards, reduce the overall costs of enforcing the applicable federal standards (e.g. by clarifying federal standards and stipulating detailed requirements in attempt to reduce legal/compliance costs). Whether HB 5030 would result in an eventual decrease or increase in enforcement costs is currently uncertain.

In FY 2012, the administration of MIOSHA, including rule promulgation and enforcement, is supported by federal grants from the U.S. Department of Labor (\$13,365,600) and various state restricted revenues (\$15,196,300). No General Fund revenues were appropriated to support MIOSHA.

POSITIONS:

Associated Builder and Contractors of Michigan supports the bill. (12-7-11)

Michigan Chamber of Commerce supports the bill. (12-7-11)

Michigan Farm Bureau supports the bill. (12-7-11)

Michigan Infrastructure and Transportation Association supports the bill. (12-7-11)

Michigan Manufacturers Association supports the bill. (12-7-11)

Michigan Plumbing and Mechanical Contractors Association supports the bill. (12-7-11)

Midland Chamber of Commerce supports the bill. (12-7-11)

National Federation of Independent Business - Michigan supports the bill. (12-7-11)

Small Business Association of Michigan supports the bill. (12-7-11)

Michigan Department of Licensing and Regulatory Affairs is neutral on the bill. (12-7-11)

American Federation of State, County, and Municipal Employees opposes the bill. (12-7-11)

Michigan Professional Fire Fighters Union opposes the bill. (12-7-11)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.